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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MIKE GLEASON  
KRISTIN K. MAYES  
GARY PIERCE

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AZ CORP COMMISSION  
DOCUMENT CONTROL

Arizona Corporation Commission  
**DOCKETED**

JAN 23 2007

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IN THE MATTER OF THE MATTER OF THE  
APPLICATION OF TONTO VILLAGE WATER  
COMPANY, INC. FOR A RATE INCREASE.

DOCKET NO. W-01580A-04-0672

**PROCEDURAL ORDER**

**BY THE COMMISSION:**

On August 17, 2005, the Arizona Corporation Commission ("Commission") issued Decision No. 68066 which granted Tonto Village Water Company, Inc. ("Tonto Village" or "Company") a rate increase conditioned upon certain filing requirements. Specifically, Tonto Village was ordered to "immediately fix the leakage found on the pressure tank and the 34,000 gallon storage tank at Well site No. 2, and file documentation with Docket Control within 30 days of this Decision showing that the leakage has been repaired." Tonto Village was also directed to "install its planned new water source by June 30, 2006 and file a copy of its ADEQ Approval of Construction with Docket Control by June 30, 2006."

On July 10, 2006, Tonto Village filed copies of photographs that purport to show that the repairs to leaks in the pressure and storage tanks had been made. The Company also filed a request for a one-year extension of time to comply with the requirement that it install a new water source by June 30, 2006. Tonto Village stated that it lacked financial resources to meet the deadline for adding a new water source, but that it intends to seek WIFA financing for the project, and file a new rate case in 2007 "to become profitable and be able to repay the loan arranged through WIFA."

On November 17, 2006, the Commission's Utilities Division Staff ("Staff") filed a Memorandum recommending that Tonto Village be granted an extension of time, until April 30, 2008, to install its planned new water source, and that the Company be required to file a rate application, using a 2006 test year, by no later than March 31, 2007. Staff indicated that, based on discussions with the Company's president and general manager, the requested one-year extension

1 was no longer a sufficient amount of time to receive rate relief and complete the required work. Staff  
2 recommended that Tonto Village be required file with its rate application, a financing application to  
3 obtain Commission approval for a WIFA loan for the planned new water source. Staff further  
4 recommended that no additional time extensions be granted in these matters.

5 By Procedural Order issued January 19, 2007, this matter was set for hearing on February 5,  
6 2007, at the offices of the Commission. Due to a scheduling conflict the hearing shall be rescheduled  
7 for February 12, 2007.

8 IT IS THEREFORE ORDERED that the **hearing in this matter shall be rescheduled for**  
9 **February 12, 2007, at 10:00 a.m.**, at the offices of the Commission, 1200 West Washington,  
10 Phoenix, Arizona 85007. The purpose of the hearing is to address Tonto Village Water Company,  
11 Inc.'s request for an extension of time and the reasons for the Company's failure to comply with the  
12 deadlines established in Decision No. 68066.

13 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,  
14 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at  
15 hearing.

16 DATED this 23<sup>rd</sup> day of January, 2007.

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19 \_\_\_\_\_  
20 DWIGHT D. NODES  
21 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

22 Copies of the foregoing/mailed  
23 This 23<sup>rd</sup> day of January, 2007 to:

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